

Delaware Renewable Energy Taskforce Meeting

Delaware Public Service Commission, 861 Silver Lake Blvd. Dover, DE 19904
http://www.dnrec.delaware.gov/energy/information/Pages/DE_Renewable_Energy_Taskforce.aspx

February 2, 2011

9:30am-12:00pm

Welcome and Introductions

Presentation and discussion: “Update from the Solar Sub-Group” (next steps, timeline for implementation and sub-sub-group report out)

Update from Glenn Moore:

The sub-group studied the high-level attributes for the draft SREC Procurement process. The details of the procurement process are currently being flushed out at the sub-sub-group level. Once the attributes are determined and agreed on, then we will transition into the detail phase.

The next steps will include a vote, proposed for 2/16, from the Taskforce on the attributes, or a “path” forward, not the details of the plan. Adding more details to the draft document could complicate and drag out the implementation of this procurement process.

Discussion:

Question about the SREC proposed procurement process outline. What is the intent of the outline? Currently it’s at an in-between phase of having detail at some components, not enough detail in others, and obligations on behalf of other organizations/agencies that have not been fully approved. Many questions have been brought up about these gaps in the current outline. (Many which have been discussed verbally, but not yet documented in writing.) Several Taskforce members are uncomfortable voting favorably on outline as it currently stands.

Moving forward the sub-committee start conversations with the identified organizations/agencies in the outline to understand their capacity and if they are the most appropriate to fulfill the role. If problems are identified, then the sub-group will begin reevaluating. Additionally, the sub-sub-group and the sub-group will continue to build on the outline. The resolution was development of a “one pager” on the path of the subgroup and an expected vote at the next meeting.

The sub-group needs acknowledgement from the Taskforce that the overall direction of the proposed SREC procurement process is supported. The details can be filled in at a later time.

Question about the first compliance year (June 31, 2011 through May 30, 2012). In this proposal, there is a year before any SREC will be generated. How will this work?

Delmarva Power, can manage through this compliance year because of the excess Dover Sun Park. The goal is to have the program up and running with flexibility. Keep in mind that “new” for this program is considered 12-2010. Delmarva Power has flexibility this year, it is understood that all the SRECs won’t all get generated.

Question about the term “pilot” project. What exactly does this mean and what will changes mean to the program?

The one year pilot program seeks to create a system that moves the process forward. The one year pilot will allow the State to determine the success/failures of the program and learn more about Delaware’s market. There must be the opportunity to at least once a year to reevaluate the prices change. The one year pilot recognizes the price curve and not over compensating industry. The pilot allows the Taskforce to understand the Delaware market and adapt. Based on lessons learned from this year the taskforce will reevaluate future goals, update tiering structures, and prices.

This procurement process is not an exclusive process the utilities are able to procure SRECs from other contracts, the spot market, and/or they can create their own process.

Concern about Tier 4 messaging. Currently, the outline that we have is not friendly to Tier 4 solar developers; this statement needs to change because Delaware is open and doesn’t want to discourage Tier 4 developers.

An explicit Tier 4 statement needs to be included in the process outline document and why we have already achieved Tier 4 this compliance year. It should state that Tier 4 will be evaluated every year.

Concern about the SREC procurement process timeline.

The timeline that was presented is aggressive. The regulatory process if rulemaking is involved could take a year. Some processes would run concurrently, allowing time to adjust the RFP process.

Question about proposed RPS legislation that would change the current legislation.

Senator McDowell’s office sent the Taskforce a memo about proposed legislation. After discussion, the Taskforce decided not to discuss changes to existing RPS statute legislation.

Deliverables:

- 1. A pared down “one-pager” of bullet points that capture the key attributes of the proposed SREC procurement process that would be voted on by the Taskforce as a provisional structure to be investigated in further detail. The language in the “one-pager” should reflect that the document is in progress and is subject to change with additional information.**

2. Documentation from the sub-group on conversations, work, and the factual analyses that have taken place over the past 4 months. Including but not limited to: identification and explanation of the key inputs and assumptions that were used the University of Delaware's PV Planner model, key variables that the model is most responsive to, explanation of the price points, market analysis that determined the tiering allocations, and how each were factually determined, and other factual based analyses that were used by the sub-group for decision making.
3. An explanation of Delmarva Power's allocations for initial solicitations (Tier 3: 45%, Tier 2: 35%, Tier 1: 25%) as these percentages fit in to the total. Including the percentage of the Dover SUN Park.
4. A presentation of the public costs of the current SREC process (buying on the spot market) and how that cost compares with this proposed procurement process.

Next Steps:

Presentation: Peter Olmsted from Vote Solar will be giving a presentation on the JEDI (Job and Economic Development Impact) model. (2/16)

Presentations: From each utility about how they currently meet the RPS and thoughts moving forward on achieving the remainder of the RPS. (March 9, 2011.)

Senator McDowell's Memo: Moving forward it is the decision of the Taskforce to not discuss draft legislation.

Public Comment:

Skip Neubeck- 9-12 Patriots, New Castle County.

Request for sign-in sheet modification; not only for public speaking but an overall sign-in sheet to show public turnout. Can the PV Planner model be posted for public consumption, public attributes, and a summary of items discussed and posted on the website?

Carolyn Snyder: All taskforce meeting minutes are posted online. The sub-group is now tasked with writing up a first-round factual analysis from the inputs into the PV Planner.

Morgan Ellis: A brief overview of the University of Delaware PV Planner is posted on the Taskforce website

http://www.dnrec.delaware.gov/energy/information/Pages/DE_Renewable_Energy_Taskforce.aspx

Albert Dale Faust- 9-12 Patriots, Kent County.

Is the process spawning entrepreneurs? Will they receive credits for production out of their units? What do individuals do if they produce solar power? What are SRECs?

Glenn Moore: Yes, they will receive credits for every MWh produced. Then, the credits could be sold to Delmarva and/or DEMEC. There are two components: 1. reduction in the owner's energy bill through net-metering and 2. payment for each SREC that is produced.

It's an incentive for businesses to come into Delaware? If the right price, it's an incentive for businesses to come in?

Glenn Moore: Yes, if it makes sense to the business, then they will do it.

Does the model clue EPA emissions?

Glenn Moore: Not explicitly in the model.

Steve Wode-9-12 Patriots, Bethany Beach.

I'm concerned about the cost of my energy

These are long-term contracts, what if the legislation changes do, the contracts stand?

Glenn Moore: The contracts would stand, even if the legislation changes.

Coralie Pryde- Private Citizen, Wilmington.

Commend group for evaluating in a detailed manner. Looking forward to the group discussing off-shore wind power. Thank you for your work.

Al May- Retiree.

The state is trying to turn itself into California and I don't like it. I believe that this is overkill. Allegory with doctors and health care.

Pat Todd- League of Women Voters of Delaware.

The League supports renewable energy for Delaware and the tenants of the legislation. The league complements the taskforce on how the meetings are run and the public comment. Thank you.

Ann Cain- 9-12 Patriots, Kent County.

Congratulations to Dr. Snyder for being fair and cautious. The United Kingdom has windmills all over the country and because of the weather conditions. There has been no production over this period time. This tells me that solar power is a waste of money. I will not support it.

Richard Vita- 9-12 Patriots.

1. The public should be more educated on the Taskforce. Asked 4 state employees and they didn't know about the meeting. 2. Costs to the ratepayers, important to discuss before anything

else. The most important thing is cost. 3. My wife and I very conservative when it comes to energy. Been with Delmarva for 40 years. 4. Are these panels easily vandalized?

Robert Dennis- 9-12 Patriots.

Windmills: there are sound impacts. They are ugly. We don't want it. Energy producers in this country can produce energy with geothermal thermal power. We have the possibility of clean energy with clean coal. There was a second oil field discovered in Alaska.

Chad Tolman- League of Women Voters of Delaware- Retired Scientist.

These measures are exactly what Delaware should be doing. Not only I support them, but go further and continue to be a leader moving into more renewable. Renewables improve energy security, health, and the welfare of our citizens. The University of Delaware a leader in renewable research. Delaware will be greatly impacted by climate change.

Steve Wode- 9-12 Patriots-

How do renewables provide reliable power when the weather is bad?

Glenn Moore: PJM Interconnection is responsible for reliability of the entire grid. There are capacity requirements that must be met for the entire system, because at any one time a generation facility can go down.

Skip Neubeck—Is the backup system, part of the rate cost?

Glenn Moore: The backup systems (for all generation sources) for the grid are part of the rate cost. There are a lot of forms of generation that are on the system.

Carolyn Snyder- The taskforce will provide more information about intermittency and back-up costs.